

Fiscal Note

Fiscal Services Division



HF 2322 – Alcoholic Beverages, Automated Device Privileges (LSB5243HV)
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Fiscal Note Version – New

Description

House File 2322 establishes the authority for certain liquor control licensees and beer and wine permittees to allow legal-aged patrons to serve themselves wine, beer, or spirits through automated dispensing devices. “Automated dispensing device” is defined as any mechanized device capable of dispensing beer, wine, or spirits directly or by remote activation to a patron by a licensee or permittee. The bill also authorizes the Division Administrator of the Iowa Alcoholic Beverages Division (IABD) to grant and rescind the privilege of dispensing wine, beer, and spirits through an automated device, subject to the granting of a liquor control license or permit.

This bill (section 3) also provides for a transition and waiver provision, stating that any licensee or permittee currently granted a waiver to dispense wine, beer, or liquor through automated dispensing devices may continue to do so, subject to the conditions provided, until September 30, 2016. This bill also provides that a licensee or permittee previously denied a waiver to dispense wine or beer through an automated device prior to January 1, 2016, due to the device’s inability to be deactivated at the end of the business day, may have this requirement waived and be granted the privilege to continue to dispense wine, beer, or liquor through automated devices as provided by the bill.

Assumptions

- In addition to establishing a new license, the IABD will also need to adopt rules requiring the applicable liquor control licensee, beer permittee or wine permittee to activate automated dispensing devices or any component designed to grant access to the device prior to the dispensation of any beer, wine, or liquor.
- Entities that request the granting of a special license for automated dispensing devices already own an applicable liquor license or beer or wine permit to serve legal-aged patrons.

Fiscal Impact

There will be no cost to the State General Fund and this change may generate some additional revenue. However, it is unclear how many liquor control licensees or permittees will take advantage of the opportunity to provide automated dispensing devices on their premises, making it difficult to estimate an amount of generated fee revenue for the IABD. It is not possible to estimate how many entities will be willing to invest the dispensing system and associated software in addition to their current liquor license or beer and wine permits.

Sources

Iowa Alcoholic Beverages Division (IABD)
Legislative Services Agency

/s/ Holly M. Lyons

February 25, 2016

The fiscal note for this bill was prepared pursuant to **Joint Rule 17** and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the LSA upon request.
